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SUBJECT: FEDERAL ELECTORAL INSTITUTE COUNSELOR DISCUSSES
JULY 2 SCENARIOS

Classified By: Acting Deputy Chief of Mission Leslie A. Bassett for reasons 1.4(b) and (d).

11. (C) Summary: Federal Electoral Institute (IFE) Counselor Arturo Sanchez shared with us June 14 some insights on the coming election. He was adamant that despite the usual glitches, election day would be relatively smooth. Nevertheless, he expected a tight race with judicial challenges to follow (such challenges have become a regular feature in Mexican elections in the last six years). He did not discount completely the possibility of post-election demonstrations should Andres Manuel Lopez Obrador and the Party of the Democratic Revolution (PRD) come up short, but he thought Mexican institutions could cope with that. He explained the difficulties surrounding IFE's planned quick count announcement on election eve, and suggested IFE might withhold the announcement. More positively, he said the parties have already begun to send out feelers to one another about post-election compromise. End summary.

A Tight Race

12. (C) Sanchez has been a member of IFE's governing body (Consejo General) since 2003 and worked at IFE for several years before taking that position. He agreed with the latest polls showing Lopez Obrador and National Action Party (PAN) candidate Felipe Calderon in a dead heat. He also said Roberto Madrazo and the Institutional Revolutionary Party (PRI) were moving up from a distant third, raising the possibility of a tight three-way race. Sanchez insisted, as one might expect, that the electoral machinery was sound. He said parties trying to keep their options open in the event of a loss would always be quick to suggest bias or other problems, but with party observers in the polling places watching the voting and the counting and receiving a copy of the results, it would be extremely difficult for anyone to manipulate the outcome. He said there would certainly be isolated problems such as getting the polls open in particularly conflictive areas (he mentioned both EZLN areas of Chiapas and San Salvador Atenco in Mexico State, scene of a riot in early May). However, he insisted these problems would not be sufficient in scale to affect the outcome of a presidential race. He said there might be some congressional districts where problems would necessitate nullification by the Federal Electoral Tribunal (TRIFE) and a subsequent special election, but this was nothing new.

IFE and the Brother-in-Law

13. (C) Regarding the recent Lopez Obrador attack ads suggesting Calderon's brother-in-law Diego Zavala had been getting sweetheart government contracts and tax breaks for his company Hildebrando, Sanchez insisted the allegations of a sinister IFE connection were nonsense. He said IFE did indeed use a common brand of software sold by Hildebrando,

but they bought it from a different vendor. IFE had also had a contract with a data processing company that terminated in 2000, three years before the company was acquired by Hildebrando. He said IFE had readily agreed to PRD and PRI demands for an audit of its contracts with Hildebrando, knowing there was no smoking gun. (Note: IFE rebuffed the parties' attempts to secure a review of the electoral rolls and system for compiling preliminary results or PREP, arguing that both had been thoroughly reviewed by the parties, and the deadline for such challenges had long since passed. End note.). Sanchez acknowledged that few Mexicans would ever understand all this, and therefore the attacks were undoubtedly having an impact.

Election Day and the Aftermath

14. (C) Sanchez said an ugly teachers' strike in Oaxaca, with threats by the strikers to disrupt the elections, was troubling (state police moved in June 14 to move the strikers from the Oaxaca City square but failed to dislodge them). He said the state union was at odds with the national union leadership and not clearly affiliated with any party. However, Sanchez said even a very successful effort to disrupt the voting in Oaxaca would probably affect no more than 20 percent of the polling places there, serious enough to merit a complaint from whichever party thought it advantageous to do so, but probably not enough to invalidate a presidential election. (Note: Because Oaxaca is traditionally a PRI state, the assumption is that disruption of the elections there would hit Madrazo hardest. End note.)

15. (C) Discussing the possibility of post-electoral disturbances, Sanchez admitted that a narrow defeat for Lopez

MEXICO 00003309 002 OF 003

Obrador -- which Sanchez defined as three percent or less -- might result in demonstrations, but he doubted these would be long-lasting or violent. His reasoning was that the PRD was clearly headed for victory in Mexico City, both in terms of a strong showing for Lopez Obrador and in the mayoral race, whereas post-election trouble in Mexico generally started in neighborhoods where the voters felt disenfranchised. He noted that PRD city government and the inevitable PRD winner of the mayoral race might be disinclined to see the city paralyzed by violent protests. Sanchez pinned much of his optimism on the fact that both the IFE and TRIFE enjoyed greater public confidence than any political party (the polls back this up). Whatever the loser's complaints, he would need to take them to the TRIFE within four days of the official count (July 5 for the presidential race) and then await the TRIFE's decision, which might not come until September. Sanchez said even Lopez Obrador, who showed his ability to mobilize his supporters during last year's desafuero crisis, could not keep crowds in the streets week after week. Sanchez, who clearly has little love for Lopez Obrador, also insisted the PRD candidate was not a fool; he would not want to create a situation that would cause a financial and political meltdown in Mexico, particularly if he had hopes of turning around the initial outcome of the election.

Calling the Race

16. (C) Poll results are embargoed starting eight days before the election until the closing of the polling places July 2 at 9:00 pm EDT. Media exit polls should appear then. At around 12:00 am EDT July 3, IFE is expected to release its quick count results. The quick count is based on a scientific sampling of 7,600 polling places. Sanchez claimed 2,000 would be enough to yield a statistically valid prediction, but IFE chose to use a much larger sampling. Sanchez said the margin of error was .03 percent. In addition to the quick count, throughout the night of July

2-3, data from the PREP will be posted on the IFE website (www.ife.org.mx). PREP works as follows. When votes are counted and the tally sheet prepared at each polling place, copies are given to the party representatives at the polling place, and the tally sheets, along with the rest of the election materials, are sent to IFE district headquarters where the tallies are entered in a centralized computer database. PREP results for Mexico's 131,018 polling places should be nearly complete around 5:00 am EDT July 3 (a few polling places will never make it into PREP because someone inevitably botches the job of properly sealing the tally sheets and electoral materials -- this does not affect the final tabulation later in the week). Since the parties will have copies of the tally sheets before they reach the PREP, the system seems trustworthy. The official vote tabulation is done July 5 (for president and the lower house of congress; the tabulation for the upper house of congress comes July 9).

17. (C) The quick count, invented to get a reliable result into the public domain quickly to prevent post-election shenanigans by the once dominant PRI, has become a bit of an albatross for IFE. While Sanchez saw no problems calling a quick count win for Lopez Obrador, he said a quick count announcement showing a narrow margin in anyone else's favor might cause problems with Lopez Obrador and the PRD. Both the PRD and the PRI have already begun questioning the quick count system. Sanchez said IFE might decline to make a quick count announcement if Lopez Obrador were losing but the margin was roughly three percent or less, although he reiterated that the accuracy of the quick count system would support an accurate call even if the margin were far narrower. Inconsistency between the media exit polls and the quick count result would also give IFE pause, although Sanchez insisted the quick count was more reliable than any exit poll. Sanchez admitted that a late night announcement by IFE that it would not release the quick count would be controversial, but he noted the PREP results would be there for all to see on the internet before sunup, and the official count would come July 5.

Hints of Compromise

18. (C) Sanchez said the civility pact signed June 13 by all the parties (save one minor player) was no guarantee of post-election civility (and certainly not pre-election civility), but it would help. Sanchez felt that by signing it Lopez Obrador had bound himself to the path of institutionality should he chose to challenge the election results. At a minimum, Sanchez said the parties had sent a calming signal to the electorate that boded well for post-July 2. Sanchez also said the three major parties had

MEXICO 00003309 003 OF 003

begun, cautiously, to negotiate (in pairs, not yet trilaterally) what might happen in the event of a close race. He said a losing party would want to see what it could get in terms of cabinet seats, legislation, etc. in return for foregoing an electoral challenge. This explained the logic behind many of the party complaints about the electoral process, as they try to position themselves to spoil another party's claim to victory and up their own price for concession. Sanchez said the negotiations had not yet gone too far because the PRD so far was maintaining that it was a certain winner and thus had no reason to discuss any concessions.

Comment

19. (C) We continue to believe Mexico's electoral machinery is sound and that the possibilities of significant fraud or disruption are minimal. That of course will not keep the losers from howling, especially if the race is as close as it now appears. Given Lopez Obrador's proven ability to

mobilize his supporters, we cannot discount the possibility of demonstrations should he lose in a close race. However, we expect any such demonstrations to be largely confined to Mexico City (his base of support) and mostly nonviolent (since it is probably not in Lopez Obrador's interest to let things get out of hand). We agree with Sanchez that the TRIFE and its extended period for deliberations act as a shock absorber for public discontent. IFE's reluctance to release a quick-count in a very close race is understandable, but should IFE withhold the announcement it could be controversial (raising dismal memories of the infamous 1988 computer crash) and might be spun by the losers no matter who they are. If it comes to that, we should be patient in waiting for the PREP results early July 3 and the official tabulation July 5. Sanchez's claim that the parties were already positioning themselves to accept defeat, but at a price, is good news if true. It suggests that politicians are already at least thinking about compromise and that there may be a way out of any impasse that might develop.

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